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## PSRS/PEERS Staff Receive National Recognition for Leadership, Investments

### Steve Yoakum Named Executive Director of the Year by Institutional Investor Magazine

Steve Yoakum, executive director of the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS), has been named Executive Director of the Year by Institutional Investor – Investor Intelligence Network. The annual Investor Intelligence Award is an honor that reflects industry-wide recognition of his accomplishments during the past year.

Yoakum was nominated by his peers for this distinguished honor. Other nominees included executive directors from Indiana, Iowa, West Virginia, Wyoming and Illinois. He received his award during a ceremony for the Annual Investor Intelligence Awards on April 21, 2015.

“This award is really the culmination of the dedication and hard work of our entire staff, management and Board of Trustees,” said Yoakum. “Everything we have accomplished as a retirement system is because of the great teamwork and knowledge they demonstrate.”

Yoakum has served as PSRS/PEERS executive director since 2001.

The Institutional Investor – Investor Intelligence Network is an online community launched by Institutional Investor, a leading global financial magazine, for senior decision makers at the world's largest pension funds, foundations, endowments and sovereign pools.



PSRS/PEERS Executive Director, Steve Yoakum

PSRS/PEERS STAFF RECEIVE NATIONAL RECOGNITION FOR LEADERSHIP, INVESTMENTS, CONTINUED FROM PAGE ONE



PSRS/PEERS Investment Officer, Travis Allen

## Travis Allen Featured on CIO Magazine's "Forty Under Forty" List

Travis Allen, PSRS/PEERS investment officer, was recently featured in CIO Magazine's 2015 "Forty Under Forty" list of up-and-coming investment professionals.

Allen has been an investment officer with PSRS/PEERS since July 2006. He was selected as one of 40 to make the list from more than 200 nominees.

"It was an unexpected honor to be nominated for the list by a group of my peers," said Allen. "Actually getting selected for the list by CIO Magazine was really just icing on the cake."

According to Craig Husting, PSRS/PEERS chief investment officer, Travis is well deserving of the national recognition. "He takes his job very seriously and is a great investor and asset to our investment program," Husting said.

CIO is a bi-monthly digital and print magazine that provides news, opinion and research focusing on overarching investment issues affecting corporate and public pension plans, endowments, foundations, healthcare capital pools and sovereign wealth funds. The "Forty Under Forty" list is an annual recognition of excellence among young investment professionals employed by large asset owners.

## Information for New Retirees

Congratulations to each of our 2015 retirees! We hope you enjoy your retirement to the fullest. Here is a bit of helpful information to get you started off right.

### Direct Deposit

Your benefits are paid by direct deposit on the last working day of each month. The deposit dates for the remainder of 2015 are to the right. We don't send monthly pay stubs or deposit statements. However, we will notify you any time your benefit amount changes, such as if you change your income tax withholding. You also get an annual **Benefit Statement** each January showing the amount of your benefit, income tax withholding and any cost-of-living adjustments (COLAs) you receive.

2015 Direct Deposit Schedule	
Payment For	Will Be Deposited
July	July 31
August	August 31
September	September 30
October	October 30
November	November 30
December	December 31

### Cost-of-Living Adjustments

You are eligible for cost-of-living adjustments on your monthly benefits beginning the fourth January following your retirement date. For example, if you retire July 1, 2015 you become eligible for COLAs in January 2019. The COLA is determined each August by the Board of Trustees based on the Consumer Price Index for Urban Consumers (CPI-U) and the recommendation of the PEERS actuary. A 2% COLA is given when the change in the CPI-U for the preceding fiscal year is between 0% and 5%, and a 5% COLA is given when the change in the CPI-U is 5% or more. No COLA is given in years when the change in the CPI-U is 0% or negative.

### Get Information 24/7 on our Website

We look forward to speaking with you anytime you have questions or need assistance. But often you can get the information or forms you may need by visiting our website, [www.psr-peers.org](http://www.psr-peers.org). If you haven't already, we recommend that you register for online access to your personal membership information using PEERS Web Member Services.

## Proper Asset Allocation is Essential for Winning Investments

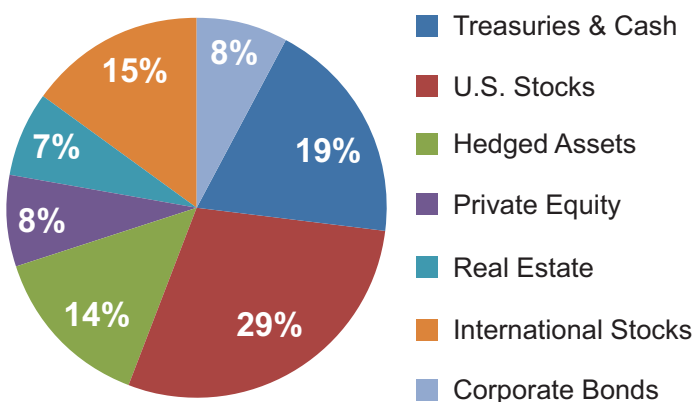
One of the most important factors in a pension fund's long-term investment success is the makeup of its asset allocation. An asset allocation is the mix of different types of investments held at any given time, balanced and proportioned according to investment goals, time frame and risk tolerance.

One of our objectives at the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) is to continuously analyze our asset allocation to ensure it is positioned appropriately for future investment market environments. Ultimately, our investment staff strives to achieve the best allocation of funds among asset classes given the Systems' return requirements, low risk tolerance and benefit promises to our members.

### Using Asset Allocation to Reduce Volatility, Improve Returns

Volatility is the amount of uncertainty related to the size of changes in the value of an investment or asset class. Lower volatility indicates that an investment's value does not fluctuate dramatically, but instead changes in value at a steady pace over time. The volatility of investment returns matters because lower volatility translates into higher returns. If two portfolios have the same average return, the one with the lower volatility will generate a higher compounded annual return and will result in a greater fund balance over time.

**PSRS/PEERS Asset Allocation  
as of June 30, 2014**



### Diversification Leads to Long-Term Gains

The primary way to reduce portfolio volatility is by including additional, uncorrelated asset classes. This is known as diversifying the portfolio. Rarely do all asset classes rise or fall in value at the same time. The theory behind diversification is that if one asset class is declining (or lower) in value, another unrelated asset class in your portfolio is rising (or higher). The result is a smoother series of returns for the portfolio in total, rather than if the value of the two asset classes moved down and up in a correlated fashion.

The most recent investment success at PSRS/PEERS has been the result of a more broadly diversified program complemented by non-traditional investment strategies (such as real estate, private equity and absolute return strategies) and more active management of assets. The PSRS/PEERS Board of Trustees made allocations to real estate and private equity over the last several years as a way to improve returns (relative to bonds), diversify stock risk and contribute greater stability to the overall portfolio. For example, the diversified portfolio provides the Systems with a moderate degree of downside protection in periods when the stock market declines.

In the end, the overall primary mission and focus remains investing the Systems' assets to earn the 8% actuarial assumed rate of return over a long-term time horizon.

### Thinking Big Picture to Win

We do not expect the PSRS/PEERS asset allocation to provide short-term 'home-run' like returns for the Systems. Instead, the diversified asset allocation is expected to enhance the probability that PSRS and PEERS can continue to deliver 'singles' through consistent and meaningful investment returns over the long-term for our members, and ultimately win the investment game.



To hear PSRS/PEERS Chief Investment Officer Craig Husting discuss the philosophy behind the Systems' successful investment program, visit [www.psrs-peers.org/videos](http://www.psrs-peers.org/videos).

# PSRS/PEERS BENEFIT Check

## Get to Know PSRS/PEERS

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) are defined benefit pension plans providing lifetime service and disability retirement benefits to members, and survivor benefits to qualified beneficiaries.

Our goal is to provide continued outstanding member service and reliable retirement security to our nearly 250,000 members and their families.

We build on our past success by managing the Retirement Systems in a professional, prudent and cost-efficient manner, using a long-term approach. This has ensured that the Systems remain well funded and benefit promises are kept as we continue our daily mission to invest wisely in your secure retirement future.

Learn more about PSRS/PEERS below, and visit our website, [www.psrs-peers.org](http://www.psrs-peers.org), to view an interactive version with more details on the success and growth of the Retirement Systems; facts about our membership, financial stability, investment returns and assets; and positive contributions to the economic well-being of the state of Missouri.



## QUICK FACTS | 2014 – 2015

today, *tomorrow*  
together.

For the last 69 years, the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) have worked in partnership with Missouri public schools to provide retirement benefits to our members. We do so through the quality of PSRS/PEERS' plan design, professional plan management, strong investment performance and outstanding commitment to the nearly 250,000 members we serve.

New PSRS/PEERS  
Memberships in 2014

12,434



To positively impact the  
state's economy,  
approximately

\$2.2 billion

was distributed among  
Missouri's 114 counties in  
fiscal year 2014.



TOTAL MARKET VALUE



### Growth of PSRS/PEERS Total Membership 2010-2014



50,566  
PSRS  
retirees



23,491  
PEERS  
retirees

As of June 30, 2014

16.1 PEERS 23.5 PSRS

Average Years of Service  
for 2014 Retirees



Did  
you  
know?

PSRS/PEERS  
is the

44<sup>th</sup>

largest  
defined  
benefit  
pension  
plan in the  
United States.

As well as,

110<sup>th</sup>

largest investor  
in the world.

## McClintic Retires; Resigns Position on Board of Trustees

Board member Susan McClintic has announced her retirement from Columbia Public Schools effective July 1, 2015. As a result, she has also ended her service on the PSRS/PEERS Board of Trustees as of the end of June. McClintic was first elected to the Board as an active member of PSRS in July 2010.



McClintic's career includes 28 years of teaching experience. In addition to her service on the PSRS/PEERS Board of Trustees, she served six years as president of the Columbia Missouri National Education Association (MNEA), and on the Board of Directors of Susan G. Komen for the Cure.

"I know I speak for everyone here when I

congratulate Susan on her outstanding career in education, and thank her for outstanding service on our Board," said Steve Yoakum, PSRS/PEERS executive director. "She has been an engaged, informed and important part of our Board and we will miss her input and insight."

"No one enters teaching expecting a fancy office or stock options. Instead teaching promises something more important: a chance to do the most important work there is – setting our kids off to the brightest future. Helping ensure every Missouri student has a caring, qualified and committed teacher by promising educators a secure retirement is one of the greatest things we have to recruit and retain the best and brightest for our kids. It has been an honor to serve my fellow educators as a trustee and whatever the future holds, students will remain at the center of everything I do."

– Susan McClintic, PSRS/PEERS Trustee

Future plans for McClintic include a 2016 run for the Missouri House of Representatives 47<sup>th</sup> District.

## Board Elects Leadership for 2015-2016 School Year

The PSRS/PEERS Board of Trustees elected leadership for the 2015-2016 school year during the April 13 Board meeting. Demonstrating their continued confidence in current leadership, trustees elected Dr. Aaron Zalis of Rolla Public Schools to continue to serve as chair, and Jason Hoffman of Jefferson City Public Schools to continue to serve as vice chair. To read more about our trustees, visit us online at [www.psr-peers.org](http://www.psr-peers.org).

In other actions, the Board voted to hold the interest rates paid on active members' contributions at 1%, and the rate charged on reinstatements and applicable service purchases at 8% for the 2015-2016 school year.



Board Chair, Dr. Aaron Zalis



Board Vice Chair, Jason Hoffman

## Working After Retirement Rules and Record-Keeping

**W**orking as a retiree for a covered employer can be rewarding and beneficial for you and your school district. Follow these steps to successfully work as a retiree for covered employers without affecting your retirement benefits.

### Step 1: Proper Termination of Employment

Before you can retire or work for a PEERS-covered employer as a retiree, you must properly terminate your pre-retirement employment. PEERS requires a separation period of one month from your PEERS retirement date.

To properly terminate pre-retirement employment, you must:

- End **all** employment with **all** covered employers.
- Not return to work for a covered employer in any capacity **for a period of one month after your PEERS retirement date**, including volunteer work if you later become a paid employee with the same employer in the same, or a similar position.
- Not be under contract for employment at a covered employer in any capacity **until after receiving your first PEERS retirement benefit**. A contract includes any type of early retirement incentive or separation agreement that requires you to work or volunteer in any capacity after retirement in return for salary (including health insurance benefits).

If you violate these rules, you are not eligible to receive benefits or work at a covered employer as a retiree. In addition, you are required to repay any benefits received while ineligible, and may be required to pay contributions on your salary until you properly terminate your employment.

### Step 2: Stay Within the PEERS Limit

If you work for a covered employer and plan to continue receiving your retirement benefits, you must stay within the limit on your hours. If you exceed the limit, your benefits stop.

You can work up to **550 hours** part-time or as a temporary-substitute each full school year (July 1 – June 30).

### What Happens if You Exceed the Limit?

As long as you do not exceed the limit and do not become a full-time, regular employee, you will continue to receive your benefits. However, your retirement benefits stop effective the month you exceed the hourly limit. **The minimum you will forfeit is one full monthly benefit.**

### Step 3: Keep a Record of Your Work

All PEERS retirees working for covered employers on a part-time or temporary-substitute basis are required to maintain a record of the hours worked each month with each covered employer. Employers are also required to maintain such records and report the information to PEERS with each payroll.

When it comes to tracking your employment, it is important to stay in contact with your employer. Make sure you understand how your work will be tracked and that your records agree. If they don't, we consider the employer's records official. If you have questions about tracking your hours, please contact your employer.

### Considering Teaching for a Missouri Public Two-Year College?

Missouri's public two-year colleges most often quantify classroom teaching time in terms of credit hours rather than clock hours. If your post-retirement work includes time teaching at a PEERS-covered public two-year college, you must use the simple formula below to convert the credit hours you teach to clock hours for retirement purposes.

#### Conversion Formula

1 Credit Hour = 30 Clock Hours

You will receive more information on the conversion when you return to work.

If you are considering this type of work, please contact us for more information.



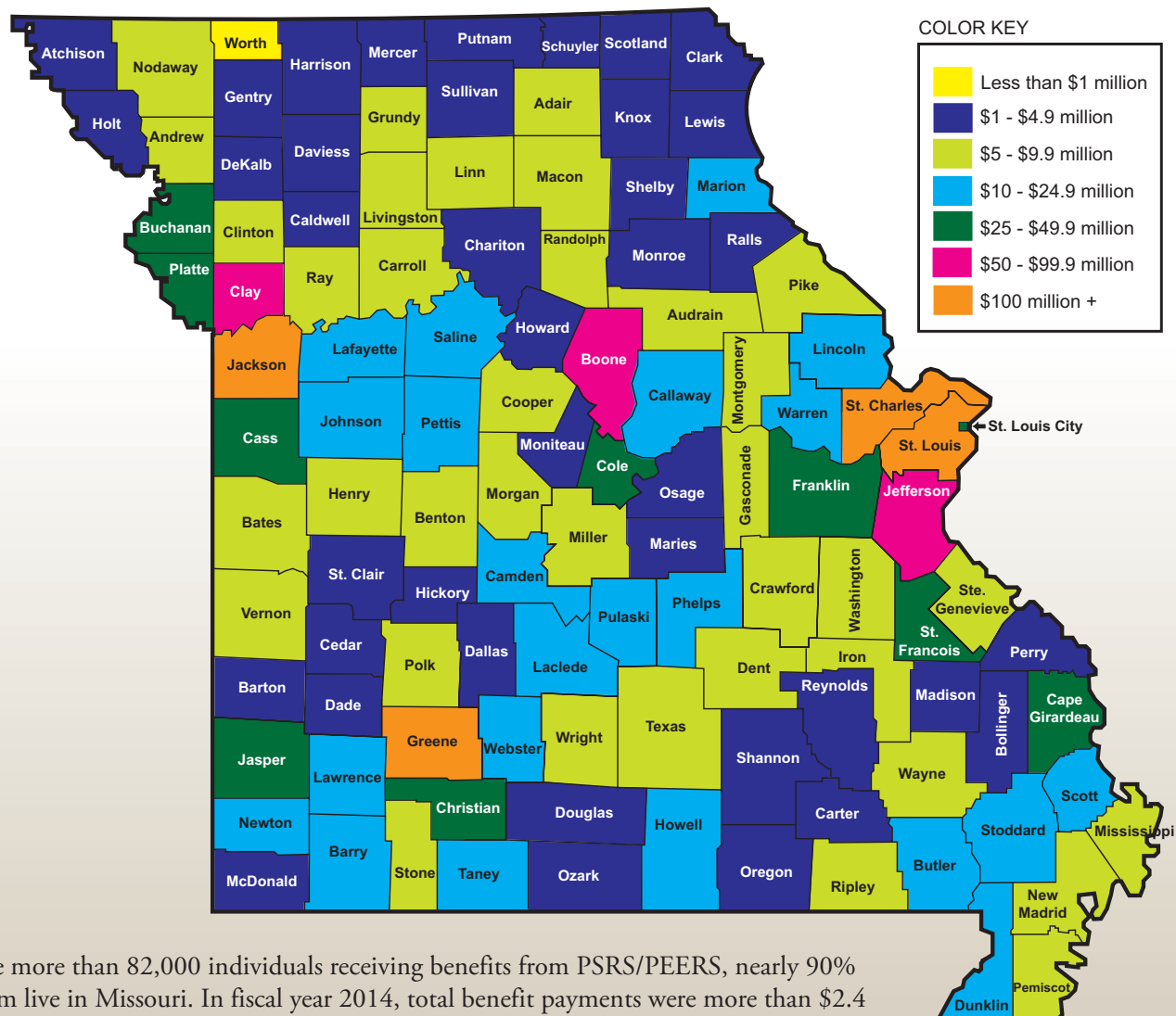
Learn more about working after retirement on our website, **[www.psr-peers.org](http://www.psr-peers.org)**, contact us at **(800) 392-6848** or email **[psrpeers@psrpeers.org](mailto:psrpeers@psrpeers.org)**.

## PSRS/PEERS Benefits Have Positive Impact on Missouri's Economy

The benefits paid by the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) serve not only as a source of income for retirees, beneficiaries and their families, but also fuel local economies.

Pension benefits received by our retirees are spent in their local communities. As one person's spending becomes another person's income, the funds begin to ripple through the economy. In this way, the expenditures and sales tax revenue our retired members generate stimulate the growth of Missouri's economy. In many Missouri counties, PSRS/PEERS could be considered one of the largest employers. The map below shows PSRS/PEERS' approximate financial impact. You can also view an interactive version of this map at [www.psrs-peers.org/About-Us/Benefits-by-County.html](http://www.psrs-peers.org/About-Us/Benefits-by-County.html).

**Benefits Paid By County (As of December 31, 2014)**



Of the more than 82,000 individuals receiving benefits from PSRS/PEERS, nearly 90% of them live in Missouri. In fiscal year 2014, total benefit payments were more than \$2.4 billion. Of this amount, more than \$2.2 billion was distributed among Missouri's 114 counties, positively impacting the state's economy.



PUBLIC EDUCATION EMPLOYEE  
RETIREMENT SYSTEM OF MISSOURI  
PO BOX 268 JEFFERSON CITY MO 65102-0268

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U.S. Postage  
PAID  
Jefferson City, MO  
PERMIT NO. 317

# PEERS BENEFIT Check

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## Legislative Session Brings No Changes to PSRS/PEERS

The 2015 Missouri Legislative Session officially ended Friday, May 15, at 6 p.m. We are happy to report there was no legislation passed that had a negative impact on the Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS). Several bills involving PSRS/PEERS were in excellent position to be passed, but unfortunately were never given the opportunity.

PSRS/PEERS wants to thank numerous educational associations, retired and active members for their involvement and for contacting their respective legislators. We would also like to thank our legislative team who spent many hours walking the floors of the Capitol and monitoring numerous committee hearings and floor debates this year.